

Members:
Sen. David Ford, Chair
Sen. Johnny Nugent
Sen. Katie Wolf
Sen. Richard Young
Rep. Robert Bischoff
Rep. John Frenz
Rep. William Friend
Rep. Richard Mangus



AGRICULTURAL MATTERS EVALUATION COMMITTEE

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MEETING MINUTES

Meeting Date: August 18, 1998
Meeting Time: 10:00 A.M.
Meeting Place: State Fair Administration Building, Board Room
Meeting City: Indianapolis, Indiana
Meeting Number: 7

Members Present: Sen. David Ford, Chair; Rep. John Frenz; Rep. William Friend; Rep. Richard Mangus; Sen. Katie Wolf.

Members Absent: Rep. Robert Bischoff; Sen. Johnny Nugent; Sen. Richard Young.

Sen. David Ford, Chair, called the meeting to order at about 10:15 a.m.. Sen. Ford introduced Committee members and staff.

High Tech Economic Development/Cooperative Extension Funding

**Dr. Vic Lechtenberg
Dean of Agriculture
Purdue University**

Dean Lechtenberg focused on two topic areas: (1) The recent U.S. Department of Agriculture (USDA) funding scene as it affects Indiana and (2) Strategic investment considerations for the future.

Dean Lechtenberg stated that there has been a continual decline in USDA support for state programs over the last several years. Meanwhile, state and local governments have been expected to take up the slack. The Cooperative Extension Service (CES) has experienced a 20% decrease in funding from the federal government resulting in substantial downsizing in the 1970's and 1980's. CES staff was reduced from about 300 personnel to 212 during this time period. County governments picked up a significant portion of the required funding (e.g. about 50 extension educators are now funded with solely local funds). Dean Lechtenberg stated that there can't be much more, if any, downsizing.

Dean Lechtenberg stated that the university's anticipated budget request of \$3.2 million will include \$2.8

million to fund CES extension educator salaries and \$0.4 million to enhance distance learning and curriculum development, and applied research projects at the research farms.

Dean Lechtenberg also addressed the potential strategic investment decisions facing Purdue and the state of Indiana in the future. He discussed four factors that are driving the changes occurring in the food, agricultural, and natural resources systems: (1) Environmental stewardship concerns; (2) The global nature of the economic enterprise; (3) The increased number of customers for agricultural research and extension now (e.g., legislators, environmental regulators, etc.), compared to only farmers in earlier years; and (4) Evolving technologies.

Dean Lechtenberg elaborated on the global nature of the economic enterprise by stating that this impacts undergraduate curriculum, research and extension activities, the market for Purdue graduates, as well as the market opportunities for Indiana's agricultural products. Dean Lechtenberg also elaborated on two evolving technologies coming together: (1) biotechnologies, such as genomics whereby researchers can now very specifically and precisely identify desired traits and attributes in plants and animals and replicate those traits and attributes through DNA technology; and (2) computer and information systems.

Dean Lechtenberg suggested that implications for strategic investment in the future include: (1) Indiana needs to take advantage of the genomics area; (2) Purdue is well-positioned in the general area of food safety and food processing, balancing the consumer desire to eat food prepared quickly, easily, and that tastes good with the concerns for safety and health; (3) Environmental security and stewardship where production and processing technologies and approaches that allow Indiana's livestock production industry to continue to exist in balance with environmental concerns; and (4) Distance learning, where the hardware is in place or will be in place soon, but the products may not be there yet. He added that the teaching approaches will be different than in a classroom, and developing these distance learning approaches and products will not be inexpensive.

Responding to a question regarding the future of federal funds, Dean Lechtenberg stated that federal funds come to Purdue in two ways: (1) through formula funds based on the percentage of Indiana's population that is considered rural and on the percentage of the population who are farmers; and (2) competitive grants. Dean Lechtenberg suggested that the formula funds have been trending down for the last decade and will continue to do so. Indiana's percentages of rural population and farming population have remained fairly consistent, but the absolute dollar amounts provided by formula have been decreasing. He further suggested that any future growth in federal funding will likely have to come from competitive grants, and these tend to be for a duration of two years, or less.

Responding to a question regarding the odor and water quality issues associated with the land application of animal waste, Dean Lechtenberg stated that there are some ideas being researched with respect to odors and nutrient value of animal waste. Potential solutions are being evaluated using animal diet and enzymes that may potentially reduce odor emissions by 60% or more. He also stated, however, that Purdue swine research facilities are not currently state-of-the-art and the necessary upgrades will likely be funded internally.

Responding to a question as to whether solving the odor problem will require major structural changes in production facilities, Dean Lechtenberg stated that, to some extent and with certain solutions being researched, some solutions might require facility changes.

Responding to a question as to whether the state will need to make policy or funding decisions that this Committee can look at now, Dean Lechtenberg stated that we will need to find better ways to leverage resources to garner more federal and private funds for research. He also stated that often federal funding, for scientific equipment especially, is contingent on a matching contribution (often requiring a 40% non-federal contribution) and these items of equipment tend to be very expensive.

Ms. Kaye Whitehead
Indiana Pork Producers

Ms. Kaye Whitehead, representing the Indiana Pork Producers, expressed concerns about the Indiana Department of Environmental Management (IDEM) inspection process. She stated that 82% of the IDEM inspections showed no violations, while in 16% of the cases, only "minor" violations were reported. These minor violations sometimes consisted of weeds or grass not being mowed or some evidence of molds. Pork producers were concerned that if these minor violations go on a producer's record, how will they be interpreted in the future? Ms. Whitehead stated that they would like a cleaner definition of the violations and what the future impacts would be. Ms. Whitehead stated that the confined feeding rule-making was moving, but not necessarily progressing. She added that the rules as currently proposed are still extremely prescriptive. In addition, she stated that when the EPA (U.S. Environmental Protection Agency) comes out with their rules, it may cause Indiana's rule-making effort to be wasted. Ms. Whitehead further added that the environment is a major concern for all of us. However, it is also important that the focus on the environment does not outweigh or cloud the focus on other important issues, as well.

Ms. Shirley Egolf
Indiana Christmas Tree Growers' Association

Ms. Shirley Egolf, representing the Indiana Christmas Tree Growers' Association, provided the Association's marketing brochure to the Committee and invited everyone to visit the Association's State Fair booth in the Agricultural Building.

Ms. Betsy Kranz
Executive Director
Center for Agricultural Science and Heritage

Ms. Betsy Kranz, Executive Director of the Center for Agricultural Science and Heritage, updated the Committee on the progress of "The Barn" project. Ms. Kranz stated that there were two feasibility studies that had been conducted on the project: (1) a program verification study completed in May and consisting of 20 focus groups, the results of which were very positive; and (2) a fund-raising feasibility study consisting of over 60 interviews regarding financial support. The consultant's recommendation was to move forward with the \$10 million campaign. Ms. Kranz also stated that the \$1.625 million appropriation from the General Assembly was for site preparation and development. The barn will be relocated to the future site of the Center for Agricultural Science and Heritage beginning in September.

Mr. Jeff Thompson
President
Indiana State Fair Board

Mr. Jeff Thompson, President of the Indiana State Fair Board, welcomed the Committee to the State Fair and announced that attendance had been 398,500 during the first six days of the fair and was on a pace to establish a new attendance record. He thanked the legislators for the 1997 appropriation, part of which was being used for a new electrical system to be installed after the fair, a new sheep barn, and roof repairs for the Coliseum. He stated that a consultant's report indicated that \$90 million was needed to put the fair grounds in good shape.

Sen. Ford announced that there would probably be only one more meeting of the Committee. Sen. Ford stated that he had hoped for recommendations from the Farmland Preservation Task Force in time for this Committee to prepare legislation for the 1999 legislative session. Sen. Wolf, who serves on the Task Force indicated that she would suggest to the Task Force that they publish the recommendations as soon as possible in order to allow that to happen.

The next meeting date was set for Tuesday, October 13, 1998, at 10:00 a.m. in Room 233 of the State House.

There being no further business to conduct, the meeting was adjourned.